

NATIONAL CANNERS ASSOCIATION INFORMATION LETTER

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BRAZILIAN CANNED FOODS DUTY LOWERED UNDER TRADE AGREEMENT

Under the trade agreement between the United States and Brazil which was signed at Washington on February 2, 1935, reductions are made by Brazil on imports from the United States of preserved fish, preserved fruit and preserved vegetables. The agreement contains a reciprocal assurance of unconditional most-favored-nation treatment of each other's commerce in all respects and safeguards against the impairment of the trade benefits of the agreement through import quotas, new internal taxes, or exchange control.

No date has yet been set for bringing the agreement into operation. It is subject to the approval of the Brazilian Congress and will come into force 30 days after the ratification by the government of Brazil and the approval of the President of the United States have been exchanged.

The Department of Commerce has prepared a statement showing the tariff classification of the commodities involved and a comparison of the new and the old rates of duty where any change in duty is made by the agreement. From this statement the following information has been taken with respect to the rates on canned products.

FISH.—On imports from the United States the Brazilian duty on fish preserved by any process is reduced from 7.800 milreis to 3.120 milreis per legal kilo, or 60 per cent. This tariff item includes sardines, sprats, brislings or slids, "chicharros," "jureols" and other small fish, herrings, and salmon, white, red or others.

FRUIT.—On fruits preserved in alcohol, sugar syrup or honey (jams) solid pack, jelly or pulp, the duty is reduced from 7.800 milreis to 6.240 milreis per legal kilo, or 20 per cent.

VEGETABLES.—On preserved asparagus the duty is reduced from 5.200 milreis to 2.600 milreis per legal kilo, or 50 per cent. On all other vegetables, preserved in any manner, with or without mixture of fruits, in solid pack, except tomatoes, or prepared in any other manner, the duty is reduced from 5.200 milreis to 4.160 milreis per legal kilo, or 20 per cent.

FRUIT AND VEGETABLE MARKET COMPETITION

Shipments of winter vegetables continue very much lower than last year although there was some increase the week of February 2 over the preceding week. Snap and lima beans which come largely from the domestic production were very much smaller in supply than for the corresponding week last year. There were practically no shipments of domestic tomatoes, whereas a year ago 152 cars were shipped. Imports of fresh tomatoes amounted to 160 cars compared with 129 a year ago. The bulk of the imports is coming from Mexico whereas a year ago Cuba was the principal source of fresh tomatoes.

Green pea shipments from Florida totaled only 18 cars for the week compared with 682 for the corresponding week last year. Imports of peas, coming mainly from Mexico, were lower than for either the previous week or for the corresponding week last year. Practically all the spinach comes from Texas at this season of the year but shipments from that source have declined to a very low level.

All other vegetables competing directly with canned foods were larger in supply than for the corresponding period last year. These vegetables are largely root crops, cabbage, and cauliflower, the supply of which continues large.

Carlot shipments as reported by the Bureau of Agricultural Economics,
Department of Agriculture

| Commodity | Week ending Feb. 2 | | Week ending Jan. 26 1935 | Total for season through Feb. 2 | |
|---|-----------------------|-------|--------------------------------|------------------------------------|---------|
| | 1934 | 1935 | | 1934 | 1935 |
| Vegetables: | | | | | |
| Beans, snap and lima..... | 313 | 79 | 39 | 4,751 | 1,744 |
| Tomatoes | 281 | 162 | 192 | 1,972 | 1,940 |
| Green peas | 155 | 83 | 94 | 775 | 517 |
| Spinach | 419 | 52 | 39 | 2,236 | 3,195 |
| All other vegetables: | | | | | |
| Domestic: | | | | | |
| Competing directly | 3,670 | 3,862 | 3,522 | 91,388 | 105,907 |
| Competing indirectly | 52 | 81 | 71 | 8,840 | 11,582 |
| Imports: | | | | | |
| Competing directly | 26 | 54 | 209 | 892 | 1,067 |
| Competing indirectly | 27 | 54 | 30 | 115 | 669 |
| Fruits: | | | | | |
| Citrus, domestic | 3,103 | 3,051 | 3,303 | 43,484 | 49,862 |
| Imports | 13 | 2 | 8 | 436 | 64 |
| Others, domestic | 137 | 128 | 141 | 14,071 | 16,844 |
| Index of fresh vegetable prices | | 82 | 80 | | |
| Index of canned vegetable prices | | 92 | 92 | | |

MORE FROST DAMAGE IN FLORIDA

Frost on the night of February 4 damaged beans in the Lake Okeechobee section, varying from 15 to 50 per cent damage, according to reports to the U. S. Bureau of Agricultural Economics.

Frost on the nights of February 3 and 4, damaged beans in the Everglades about 30 per cent, Pompano about 10 per cent, and in Collier County caused a total loss. The net result is a loss of about 3,000 acres. Tomatoes in Collier County show a loss of 20 per cent, or 600 acres. Strawberries in the Plant City section suffered a loss of 50 per cent of the bloom, which will result in a slackening of movement for some weeks, but it is doubtful if this will cause ultimate production to be less than was forecast.

FLAT PIECE RATE IN OYSTERS AND SHRIMP INDUSTRY

The National Recovery Administration in Order No. 446-38 has granted the application of the Biloxi Oyster Exchange for exemption from the provisions of Section 4, Article IV of the Canning Code, to the members of the industry in the counties of Hancock, Harrison and Jackson in Mississippi and Mobile and Baldwin in Alabama, so far as shucking oysters and picking shrimp are concerned, provided that the oyster shuckers shall be paid a flat piece rate of not less than 2½ cents per pound for shucking steamed oysters, and shrimp pickers not less than 5 cents for 6 pounds of picked shrimp.

EXEMPTIONS FROM GRAPHIC ARTS CODE

The NRA has issued an Administrative Order (X-133) rescinding a previous order and rulings for the purpose of clarifying the position of members of other industries who, as a part of their operations do some printing. The Canning Code Authority, in Bulletin No. 24 issued February 5, makes the following statement regarding this order:

Under this order, any canner who engages in printing by using his "office workers" or one mechanical employe for less than the major part of his working time is exempted from all provisions of the Graphic Arts Code.

Any canning concern employing at least one, but not more than five, mechanical employes engaged in printing is subject to the labor provisions of the Graphic Arts Code, but such provisions are to be administered by the Canning Code Authority and no assessments need be paid to the Graphic Arts Code Authority.

Any canning concern employing more than five, but not more than nine, mechanical employes engaged in printing is subject to the Graphic Arts Code and to the Graphic Arts Code Authority, but need not pay assessments to the Graphic Arts Code Authority.

Any canning concern employing more than nine mechanical employes engaged in printing is fully subject to the provisions of the Graphic Arts Code.

The above exemptions apply only to canners who engage in printing for their own use, in their own plants, with their own employes. If any further questions arise in connection with the Graphic Arts Code, please communicate with the Canning Code Authority.

SALES BELOW OPEN PRICES

In Bulletin No. 23, issued February 2, the Canning Code Authority directs attention to the matter of sales below open prices. The bulletin states:

Active buying is now beginning again, and the Code Authority desires to call to the attention of every canner the Code requirements of Article VII that he must keep a file of his prices available upon request to all other canners and to all buyers of the same trade class; and that he must sell only upon the basis of such open prices.

Failure to furnish to other canners or qualified buyers such price information or selling below open prices constitutes a violation of Section 1, Article VII, of the Code. Any canner, buyer, or other person learning of such violation is urged to file a complaint immediately. See Bulletin No. 14, entitled "How to Make Trade Practice Complaints."

The value of adhering to these requirements is well known to all thoughtful canners. Trade rumors concerning "inside prices," rebates, and other concessions are continually heard. They are usually without foundation, but nevertheless sometimes play havoc with a market. The free exchange of information concerning open prices and terms of sale is perhaps the best method for dissipating such rumors and for protecting canners from trade gossip circulated solely for the purpose of breaking the market on particular commodity in a specific locality. Thus, apart from Code requirements, common sense dictates that all canners make use of these provisions.

Simple honesty and fair dealing require that sales be made at the open prices maintained by the canners, and the protection of the industry as a whole makes it necessary that those few individuals who fail in this respect and sell below their own open prices be immediately reported as Code violators.

LEAFLETS TO BE MAILED TO CANNERS

The Association will mail to all canners early next week three leaflets on the labeling question and a leaflet on consumer claims against the canning industry.

Canners who desire to place the labeling leaflets in the hands of women's clubs and other organizations may obtain supplies upon request to the Association. These leaflets furnish answers to questions that are being asked about labeling, and define the industry's attitude toward the improvement of labeling.

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